

**LAFAYETTE COMMUNITY
HEALTH CARE CLINIC, INC.**

Financial Report

December 31, 2011 and 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lafayette Community Health Care Clinic, Inc.
Lafayette, Louisiana

We have audited the accompanying statements of financial position of Lafayette Community Health Care Clinic, Inc. (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lafayette Community Health Care Clinic, Inc. as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 26, 2012, on our consideration of Lafayette Community Health Care Clinic, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on

the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 26, 2012

FINANCIAL STATEMENTS

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Statements of Financial Position
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets:		
Cash & cash equivalents	\$ 15,124	\$ 77,529
Accounts receivable	54,420	37,575
Grant receivable	60,088	6,779
Prepaid expenses	<u>6,102</u>	<u>8,427</u>
Total current assets	<u>135,734</u>	<u>130,310</u>
Non-current assets:		
Equipment	36,801	36,801
Land	46,216	46,216
Buildings	434,548	434,548
Other improvements	42,378	42,378
Accumulated depreciation	<u>(183,640)</u>	<u>(168,949)</u>
Total noncurrent assets	<u>376,303</u>	<u>390,994</u>
Total assets	<u>\$ 512,037</u>	<u>\$ 521,304</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 6,610	\$ 2,598
Accrued expenses	<u>963</u>	<u>937</u>
Total current liabilities	7,573	3,535
Net assets:		
Unrestricted	<u>504,464</u>	<u>517,769</u>
Total liabilities and net assets	<u>\$ 512,037</u>	<u>\$ 521,304</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.

Lafayette, Louisiana

Statements of Activities
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Changes in unrestricted net assets:		
Support - unrestricted		
United Way	\$ 141,190	\$ 159,649
Other grants	277,986	235,914
Fundraising	191,369	155,425
Contributions	1,838,607	1,719,548
Miscellaneous	<u>8,606</u>	<u>2,029</u>
Total unrestricted support	<u>2,457,758</u>	<u>2,272,565</u>
Expenses:		
Program services	2,281,662	1,971,329
Supporting services -		
General and administrative	148,490	129,710
Fundraising expense	<u>40,911</u>	<u>35,449</u>
Total expenses	<u>2,471,063</u>	<u>2,136,488</u>
Net increase (decrease) in net assets	(13,305)	136,077
Net assets, beginning of year	<u>517,769</u>	<u>381,692</u>
Net assets, end of year	<u>\$ 504,464</u>	<u>\$ 517,769</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Statements of Functional Expenses
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Program services:		
Medical services - contributed	\$ 643,917	\$ 638,406
Prescriptions - contributed	1,111,827	875,296
Dental supplies	7,017	6,520
Pharmaceutical supplies	63,978	68,114
Medical supplies	2,452	1,078
Mammogram fees	25,738	26,079
Salaries	276,858	250,095
Employee benefits	11,054	10,992
Insurance	23,126	25,232
Office expense	5,563	8,710
Postage	404	1,120
Outside services	30,012	506
Utilities	11,691	9,995
Telephone	4,936	3,193
Equipment maintenance	8,135	2,228
Repairs and maintenance	3,219	1,326
Payroll taxes	22,142	19,764
Cleaning services	1,863	2,484
Security	3,935	3,968
Waste disposal	3,790	3,164
Special events	4,324	-
Volunteer committee	2,924	542
Use tax and interest	-	313
Travel, dues, subscriptions	1,592	381
Depreciation	<u>11,165</u>	<u>11,823</u>
Total program services	<u>\$ 2,281,662</u>	<u>\$ 1,971,329</u>

(Continued)

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Statements of Functional Expenses (Continued)
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Supporting services:		
General and administrative -		
Salaries	\$ 82,698	\$ 75,096
Employee benefits	2,938	3,140
Office expense	4,552	3,986
Equipment maintenance	2,430	843
Cleaning services	837	1,116
Utilities	3,297	2,868
Payroll taxes	6,614	5,875
Telephone	2,016	2,129
Repairs and maintenance	908	4,926
Insurance	6,303	6,954
Postage	1,353	2,485
Outside services	20,856	7,694
Waste disposal	242	220
Depreciation	3,526	3,734
Interest expense	105	2,829
Special events	3,991	1,614
Volunteer Committee	731	76
Travel, dues, subscriptions	4,530	4,009
Use tax and interest	398	116
Miscellaneous expense	<u>165</u>	<u>-</u>
Total general and administrative	148,490	129,710
Fundraising expenses	<u>40,911</u>	<u>35,449</u>
Total supporting services	<u>\$ 189,401</u>	<u>\$ 165,159</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Statements of Cash Flows
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (13,305)	\$ 136,077
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	14,691	15,557
Change in current assets and liabilities:		
Accounts receivable	(16,845)	(25,355)
Grants receivable	(53,309)	(3,697)
Prepaid expenses	2,325	(3,768)
Accounts payable	4,012	(10,353)
Accrued expenses	<u>26</u>	<u>(423)</u>
Net cash provided (used) by operating activities	<u>(62,405)</u>	<u>108,038</u>
Cash flows used by investing activities:		
Net payment on line of credit	<u>-</u>	<u>(113,000)</u>
Net decrease in cash	(62,405)	(4,962)
Cash and cash equivalents, beginning of year	<u>77,529</u>	<u>82,491</u>
Cash and cash equivalents, end of year	<u>\$ 15,124</u>	<u>\$ 77,529</u>
Supplemental information:		
Interest paid	<u>\$ 105</u>	<u>\$ 2,829</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Organization

Lafayette Community Health Care Clinic, Inc. (The Clinic) is a nonprofit organization, incorporated on September 16, 1992, under the laws of the State of Louisiana. The Clinic was formed to supply facilities, volunteer staff, and other support for the rendering of free medical and dental treatment, and free prescription medications to working uninsured residents of Lafayette Parish.

B. Financial Statement Presentation

The Clinic reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

C. Basis of Accounting

The Clinic is accounted for using the accrual basis of accounting whereby revenues are generally recognized when they are earned and expenses are recognized when incurred. Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Those donor-restricted contributions whose restrictions, however, are met in the same reporting period are reported as unrestricted support.

The Clinic reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Clinic reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

D. Donated Services and Materials

Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Notes to Financial Statement (Continued)

E. Property and Equipment

The cost of property and equipment, which has an expected useful life in excess of two years, and an acquisition cost of \$5,000 or more is capitalized. Property and equipment are valued at historical cost and are being depreciated on a straight-line basis. Depreciation expense for 2011 and 2010 totaled \$14,691 and \$15,557, respectively, for each year.

F. Allocation of Functional Expenses

Direct expenses are charged to program or support based on specific identification. Indirect expenses such as rent and utilities are allocated based on the square footage of the building utilized for program activity and support activity. Salaries are allocated based on a ratio of weekly time dedicated between program and support services to total weekly time.

G. Compensated Absences

Regular full-time and regular part-time employees begin to accumulate vacation per each of the 24 pay periods once they have completed their introductory period. The rate at which leave accumulates is determined by employment classification and length of service. Upon termination of employment, payment will be made for unused vacation not to exceed ten (10) days maximum. It is against Clinic policy for a staff member to receive cash payments in lieu of vacation time. Paid sick leave is available to all employees subject to the restrictions set forth in the employee handbook.

H. Income Tax Status

The Clinic qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal income taxes. The Organization is not classified as a private foundation.

I. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Clinic considers all highly liquid interest-bearing investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

J. Nature of Operations, Risks, and Uncertainties

The Clinic relies heavily on volunteers, donated services and materials, grants and contributions. Without this support, the Clinic could not continue operating.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

K. Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, support, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

L. Subsequent Event Review

The Clinic has evaluated subsequent events through June 26, 2012, the date which the financial statements were available to be issued.

(2) Property and Equipment

Property and equipment are comprised of the following:

	<u>2011</u>	<u>2010</u>
Dental equipment	\$ 8,236	\$ 8,236
Office equipment	17,003	17,003
Medical equipment	11,562	11,562
Land	46,216	46,216
Buildings and improvements	<u>476,926</u>	<u>476,926</u>
Total property and equipment	559,943	559,943
Less: accumulated depreciation	<u>(183,640)</u>	<u>(168,949)</u>
Property and equipment, net	<u>\$ 376,303</u>	<u>\$ 390,994</u>

(3) Fair Values of Financial Instruments

The Clinic's financial instruments, none of which are held for trading purposes, include cash, grants receivable, accounts payable and accrued expenses. The Clinic estimates that the fair value of all financial instruments at December 31, 2011 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Clinic using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Clinic could realize in a current market exchange.

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(4) Pension Plan

The Clinic has established a discretionary simplified employee pension plan for the benefit of all of its eligible employees. Any employee who has performed service in at least three of the immediately five preceding plan years and who has reached the age of twenty-one is eligible to participate. The Clinic may make a discretionary contribution each plan year which shall be allocated to each participant in the same proportion that the participant's compensation bears to the compensation of all participants for such year. In 2011 and 2010 the Clinic contributed \$13,992 and \$14,132, respectively, to the plan.

(5) Contributed Services

The Clinic recognizes contribution revenue for certain services received at the fair value of those services. These contributed services are included in contributions on the statement of activities and include the following:

	<u>2011</u>	<u>2010</u>
Services provided:		
Prescription	\$ 1,111,827	\$ 875,296
Medical -		
Dental	228,469	274,464
Lab/x-ray	210,192	177,237
Mammograms	25,561	25,960
Medical	145,799	131,337
Consulting	<u>33,896</u>	<u>29,408</u>
Total contributed services	<u>\$ 1,755,744</u>	<u>\$ 1,513,702</u>

(6) Line of Credit

The Clinic has a \$150,000 revolving line of credit with Teche Federal Bank, secured by a mortgage on the Clinic's land and building. The line matures on May 4, 2012. The Clinic had no balance outstanding on the line of credit at December 31, 2011 and 2010.

(7) Risk Management

The Clinic is exposed to risks of loss in the areas of general liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements have not exceeded insurance coverage the past three years.

SUPPLEMENTARY INFORMATION

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
 Lafayette Community Health Care Clinic, Inc.
 Lafayette, Louisiana

We have audited the financial statements of the Lafayette Community Health Care Clinic, Inc. (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Lafayette Community Health Care Clinic's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lafayette Community Health Care Clinic's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Community Health Care Clinic's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 11-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lafayette Community Health Care Clinic's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

The Lafayette Community Health Care Clinic's response to the finding identified in our audit is described in the accompanying summary schedule of current and prior year audit findings. We did not audit the Lafayette Community Health Care Clinic's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and grants awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 26, 2012

LAFAYETTE COMMUNITY HEALTH CARE CLINIC, INC.
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
December 31, 2011

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date Of Completion
CURRENT YEAR (12/31/11) --						
Internal Control:						
11-1(IC)	2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.		The Organization has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Organization to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Laurie Richard, Director of Finance	N/A

Compliance:

There were no instances of noncompliance required to be reported under Government Auditing Standards.

PRIOR YEAR (12/31/10) --

Internal Control:

10-1(IC)	2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No
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Compliance:

There were no instances of noncompliance required to be reported under Government Auditing Standards.